

Mesuring Bank Performance : An Application of DEA

- *Sanjay Choudhari & Arabinda Tripathy*

The current paper is an attempt to use Data Envelopment Analysis (DEA) to evaluate the relative performance of public sector banks in India. The DEA model is most meaningful when it is applied to observation sets of units or organizations providing similar services and using similar resources. An attempt has been made here to evaluate the banks on five indicators – Profitability, Financial Management, Growth, Productivity and Liquidity. The Corporation Bank is found to be in efficient frontier in all indicators as seen from Table 3 which is followed by Oriental Bank of Commerce. The results of this analysis show that most of the banks form efficient frontier in profitability and financial indicators compared to productivity, growth and liquidity indicators. This means banks are not emphasizing more on other measures such as productivity, growth and liquidity as compared to profitability and financial management.

Leadership Behaviour, Culture Assessment, Personality Types, and Employee Competencies : Imperatives for Successful Cultural Transformation in Indian Banks

- *Vaishali DKK & Mohit P Kumar*

The banks in India have had to continuously transform themselves in the process of transition from largely regulated to globalized, liberalized and competitive market conditions. The scope of this transformation include changes in competencies, structures, processes, practices and tools in order to support the strategic change. The present research proposes five essential steps for organizational transformation – the first being leader's commitment, wherein, change or cultural transformation begins with the personal transformation of the leader. The next step is to scan the present culture, which will enable a bank to analyze and evaluate the gap between the current and desired culture. After this the employee personalities need to be profiled; therefore, the next step proposed is personality profiling of the workforce. It is then possible to make the hiring decisions based on the quantitative assessment of the compatibility between the candidate's personality, values and behaviours with both the current and desired culture within the organization. In the present research, MBTI instrument was administered on 524 bank managers. These managers from public and private banks were in the middle and senior management levels. The present paper concludes that dominant personality profiles are different for public sector and new private and foreign banks. In the next step, the researchers suggest competency mapping based training need assessment to suit the cultural transformation, and as the last step discusses the importance of comprehensive involvement of the entire workforce. This paper is a blend of both theoretical and empirical research.

Multifactor evaluation and forecasting of Bank performance in India

- *R Madhumathi & Lakshmi Kumar*

This paper analyses the commercial banks operating in India with respect to their financial ratios. The study through factor analysis reveals the most important factors a bank needs to consider and deliberate on. Further, cluster analysis brings out three clusters into which a bank can fall in, namely, niche banks, sound banks and mass banks and justifies the same with its distinguishing features. The analysis also discloses to a bank the strategy it needs to follow for long run sustainability. Since deregulation the new private banks and the foreign banks have leveraged themselves with IT infrastructure. Their differentiated investment is due to their customer focus being different. The public sector banks were trying to reach out to the masses but the new banks want to take benefit from quality-oriented and fee-based activities. Hence the time has come for individual banks to decide their strategy for long run survival. Banking requires very sophisticated IT equipment and knowledge of its use in the coming times. Therefore, a bank has to make the choice of its capital investment, being IT focused or non-IT focused. Finally, the discriminant analysis provided in the paper predicts in which category a bank is in, given its financial indicators.

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